



Peterson  
Allred  
Jackson

**CITIZENS AGAINST PHYSICAL  
AND SEXUAL ABUSE, INC.**

**FINANCIAL STATEMENTS**

**For the Year Ended  
June 30, 2006**

▪ Certified Public Accountants  
Business Consultants

2100 North Main • North Logan, Utah 84341

Phone (435) 752-6441

Fax (435) 752-6451

Email [firm@pajcpa.com](mailto:firm@pajcpa.com)

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CITIZENS AGAINST PHYSICAL AND SEXUAL ABUSE, INC.

FINANCIAL SECTION

For the Year Ended June 30, 2006



Peterson  
Allred  
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\* Certified Public Accountants  
Business Consultants

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Citizens Against Physical and Sexual Abuse, Inc.  
Logan, Utah

We have audited the accompanying statement of financial position of the Citizens Against Physical and Sexual Abuse, Inc. (CAPSA) (a non-profit organization) as of June 30, 2006, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the CAPSA as of June 30, 2006, and the results of its operations and the cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 9, 2006, on our consideration of the CAPSA's internal control over financial reporting and on our tests of its compliance with certain laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

*Peterson Allred Jackson*

August 9, 2006

• 2100 North Main, North Logan, Utah 84341  
435-752-6441  
FAX: 752-6451

**CITIZENS AGAINST PHYSICAL AND SEXUAL ABUSE, INC.**  
**Statement of Financial Position**  
**June 30, 2006**

	2006	(Memorandum Only) 2005
<b>Current assets:</b>		
Cash	\$ 26,679	\$ 59,224
Certificates of deposit	104,082	100,688
Contracts receivable	49,800	37,646
Pledges and other receivables	5,701	16,425
Grants receivable	3,500	2,789
Prepaid expenses	1,224	3,373
Restricted cash	11,878	3,435
<b>Total current assets</b>	<u>202,864</u>	<u>223,580</u>
<b>Property and equipment:</b>		
Land	157,490	157,490
Equipment	122,542	119,866
Vehicles	32,375	32,375
Buildings and improvements	1,278,685	1,278,685
Accumulated depreciation	(191,442)	(140,205)
<b>Total property and equipment</b>	<u>1,399,650</u>	<u>1,448,211</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,602,514</u></u>	<u><u>\$ 1,671,791</u></u>
<b>Liabilities and Net Assets:</b>		
Accounts payable	\$ 1,909	\$ 8,516
Other accrued liabilities	6,399	11,818
<b>Total current liabilities</b>	<u>8,308</u>	<u>20,334</u>
<b>Net assets:</b>		
Unrestricted: designated for operations	1,582,328	1,648,022
Temporarily restricted	11,878	3,435
<b>Total net assets</b>	<u>1,594,206</u>	<u>1,651,457</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,602,514</u></u>	<u><u>\$ 1,671,791</u></u>

The accompanying notes are an integral part of these financial statements.

**CITIZENS AGAINST PHYSICAL AND SEXUAL ABUSE, INC.**

**Statement of Activities**

**For the Year Ended June 30, 2006**

	2006			2005
				(Memorandum Only)
Changes in net assets:	Unrestricted	Temporarily Restricted	Total	Total
Public support:				
Federal contracts and grants	\$ 131,189	\$ -	\$ 131,189	\$ 68,363
State contracts and grants	293,726	-	293,726	294,752
Other contracts and grants	58,772	11,878	70,650	20,000
Donated goods	44,540	-	44,540	8,497
Donations	27,242	-	27,242	104,619
 TOTAL PUBLIC SUPPORT	 555,469	 11,878	 567,347	 496,231
Revenue:				
Fundraising, net of expenses	33,905	-	33,905	51,145
Other	2,091	-	2,091	2,477
Gain on sale of assets	-	-	-	17,445
Interest and dividends	3,862	-	3,862	1,292
 TOTAL REVENUE	 39,858	 -	 39,858	 72,359
Net assets released from restrictions:				
Satisfaction of restrictions	3,435	(3,435)	-	-
 TOTAL SUPPORT AND REVENUE	 598,762	 8,443	 607,205	 568,590
Expenses:				
Program services	487,708	-	487,708	502,589
Supporting services- management and general	176,748	-	176,748	124,051
 TOTAL EXPENSES	 664,456	 -	 664,456	 626,640
 Change in net assets	 (65,694)	 8,443	 (57,251)	 (58,050)
Net assets- beginning of year	1,648,022	3,435	1,651,457	1,709,507
Net assets- end of year	\$ 1,582,328	\$ 11,878	\$ 1,594,206	\$ 1,651,457

The accompanying notes are an integral part of these financial statements.

**CITIZENS AGAINST PHYSICAL AND SEXUAL ABUSE, INC.**

**Statement of Functional Expenses**

**For the Year Ended June 30, 2006**

	2006			(Memorandum Only) 2005
	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>	<u>Total Expenses</u>
Salaries and Wages	\$ 339,353	\$ 52,184	\$ 391,537	\$ 364,620
Benefits and taxes	39,857	18,248	58,105	57,808
<b>TOTAL SALARIES AND RELATED EXPENSES</b>	<b>379,210</b>	<b>70,432</b>	<b>449,642</b>	<b>422,428</b>
Depreciation	43,551	7,686	51,237	58,256
Utilities	13,468	7,985	21,453	20,036
Insurance	7,999	8,807	16,806	16,148
Supplies	34,209	47,819	82,028	26,245
Repairs and maintenance	7,047	8,462	15,509	13,550
Printing and subscriptions	-	2,279	2,279	6,252
Professional fees	-	6,575	6,575	7,593
Miscellaneous	1,239	12,376	13,615	52,249
Travel and transportation	-	3,053	3,053	2,865
Conferences	985	1,274	2,259	1,018
Loss on disposal of assets	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 487,708</b>	<b>\$ 176,748</b>	<b>\$ 664,456</b>	<b>\$ 626,640</b>

The accompanying notes are an integral part of these financial statements.

**CITIZENS AGAINST PHYSICAL AND SEXUAL ABUSE, INC.**

**Statement of Cash Flows  
For the Year Ended June 30, 2006**

	<u>2006</u>	<u>(Memorandum Only) 2005</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ (57,251)	\$ (58,050)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	51,237	58,256
(Gains) losses on disposal of assets	-	(17,445)
(Increase) decrease in:		
Contracts receivable	(12,154)	548
Pledges and other receivables	10,724	(7,665)
Grants receivable	(711)	(289)
Prepaid expenses	2,149	13,795
Increase (decrease) in:		
Accounts payable	(6,607)	1,118
Other accrued liabilities	<u>(5,419)</u>	<u>(1,526)</u>
Net cash used by operating activities	<u>(18,032)</u>	<u>(11,258)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of assets	-	105,198
Increase in certificates of deposit	(3,394)	(100,688)
Purchase of property and equipment	<u>(2,676)</u>	<u>(19,251)</u>
Net cash used in investing activities	<u>(6,070)</u>	<u>(14,741)</u>
Net decrease in cash	(24,102)	(25,999)
Cash, beginning of year	<u>62,659</u>	<u>88,658</u>
Cash, end of year	<u><u>\$ 38,557</u></u>	<u><u>\$ 62,659</u></u>
<b>Supplementary information</b>		
Interest paid	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.



**CITIZENS AGAINST PHYSICAL AND SEXUAL ABUSE, INC.**  
**Notes to Financial Statements**  
**June 30, 2006**

**Note 1: Nature of Activities and Significant Accounting Policies**

**Nature of Activities**

The Citizens Against Physical and Sexual Abuse, Inc. (CAPSA) is a non-profit corporation organized under the laws of the State of Utah. It is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code.

CAPSA provides shelter, care and counseling for physically and sexually abused persons in and around the Logan, Utah area. Primary sources of support are contracts from the State of Utah, Federal government, and contributions from individuals and foundations.

**Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting in accordance with generally accepted accounting principles.

**Financial Statement Presentation**

CAPSA's financial statements are presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Company is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, CAPSA is required to present a statement of cash flows.

**Cash and Cash Equivalents**

CAPSA considers all highly liquid investments with original maturities of three months or less with their bank to be cash and cash equivalents.

**Financial Instruments**

Investments include publicly traded equity securities and certificates of deposit and are carried at fair market value based on quoted market prices. All gains and losses are included in the change in net assets.

### Contracts, Grants, and Other Receivables- Recognition of Bad Debts

Allowances for doubtful accounts are established for any amounts in accounts receivable, which, in management's judgment, are not collectible. CAPSA's contracts receivable, which are unsecured, are primarily from contracts with the State of Utah. Grants receivable are from established charitable donors. CAPSA's management feels that all receivables are fully collectible, thus no provision for doubtful accounts has been recorded.

### Land, Buildings and Improvements, Equipment and Vehicles

Land, buildings and improvements, equipment and vehicles greater than \$1,000 are stated at cost or, if acquired by gift, at the estimated fair market value at date of the gift. Depreciation is provided over the estimated useful life of the related assets using the straight line method. The estimated useful lives are as follows:

Buildings and Improvements	20 to 40 years
Equipment	3 to 15 years
Vehicles	5 years

Upon disposition of an asset, its cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized.

### Contributions

Support that is restricted by contract or donor provisions is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other restricted support, if any, is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. CAPSA does not imply a time restriction on contributions of long-lived assets received, if any, unless the donor so stipulates. Contributions of cash and other assets restricted to the acquisition of long-lived assets are reported as restricted support until the asset is placed in service.

Donated materials and equipment, if any, are recorded as support at their estimated values. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Donated services are recognized when the service either creates or enhances a nonfinancial asset or requires specialized skill that would be purchased if the service was not donated. During the fiscal years 2006 and 2005, CAPSA received approximately 9,685 and 10,682 hours, respectively, of donated services by crisis hotline volunteers with an estimated fair value of \$77,480 and \$85,460, respectively. No amounts have been reflected in the financial statements for these donated services.

### Functional Expenses

Expenses are charged to program services based on direct expenditures incurred. Any expenditure not directly chargeable is allocated between program services and support services based on payroll, depending on the nature of the expenditure.

### Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Note 2: Cash

CAPSA holds the following funds in a single institution. All funds were covered by federally insured limits. The following amounts were held at 6/30/06:

	Carrying balance	Bank balance
Zion's Bank checking	\$ 4,866	\$ 31,822
Zion's Bank savings	33,633	33,633
Petty cash	58	--
Total	<u>\$ 38,557</u>	<u>\$ 65,455</u>

### Note 3: Grants Receivable

The amount recognized as grants receivable includes the grant from United Way:

United Way	<u>\$ 3,500</u>
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### Note 4: Contracts Receivable

Contracts receivable consisted of the following at June 30, 2006:

DCFS	\$ 10,729
VOCA	15,979
VAWA	17,231
HTF	878
ESG	2,126
RPEG	2,857
Contracts receivable	<u>\$ 49,800</u>

Management believes all of the contracts receivable are collectible and thus no allowance for doubtful accounts has been established.

**Note 5: Pledges receivable**

Pledges receivable consist of unconditional promises to give that are all due in less than one year. All amounts are deemed fully collectible.

**Note 6: Land, Equipment, Vehicles, Buildings and Improvements**

At June 20, 2006, land, equipment, vehicles, buildings and improvements consisted of the following:

	<u>7/01/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/06</u>
Land	\$157,490	\$ --	--	\$157,490
Equipment	119,866	2,676	--	122,542
Vehicles	32,375	--	--	32,375
Buildings & Improvements	<u>1,278,685</u>	<u>--</u>	<u>--</u>	<u>1,278,685</u>
Total Assets	1,588,416	2,676	--	1,591,092
Less Accumulated Depreciation	<u>(140,205)</u>	<u>(51,237)</u>	<u>--</u>	<u>(191,442)</u>
Net Assets	<u>\$1,448,211</u>	<u>(\$48,561)</u>	<u>--</u>	<u>\$1,399,650</u>

**Note 7: Fundraising Expenses**

Fundraising expenses for fiscal years 2006 and 2005 were \$8,211 and \$15,128, respectively.

**Note 8: Operating Lease**

CAPSA has entered into a 60 month lease for the use of a copier. Monthly payments for the copier are \$278. The organization is responsible for the payments for the next three years as outlined below.

2007	\$ 3,336
2008	<u>2,780</u>
Total	<u>\$6,116</u>

**Note 9: Memorandum Totals**

Total columns on the financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to consolidation.

CITIZENS AGAINST PHYSICAL & SEXUAL ABUSE, INC.

COMPLIANCE REPORTS

June 30, 2006



Peterson  
Allred  
Jackson

▪ Certified Public Accountants  
Business Consultants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Citizens Against Physical and Sexual Abuse, Inc.  
Logan, UT

We have audited the accompanying financial statements of the Citizens Against Physical and Sexual Abuse, Inc. (CAPSA) as of and for the year ended June 30, 2006, and have issued our report thereon dated August 9, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered CAPSA's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of CAPSA in a separate letter dated August 9, 2006.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether CAPSA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the

determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of CAPSA in a separate letter dated August 9, 2006.

This report is intended for the information and use of management, others within the organization, the Board of Directors, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Peterson Alured Jackson

August 9, 2006



Peterson  
Allred  
Jackson

▪ Certified Public Accountants  
Business Consultants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH STATE LEGAL REQUIREMENTS**

August 9, 2006

Board of Directors  
Citizens Against Physical and Sexual Abuse, Inc.  
Logan, UT

We have audited the financial statements of the Citizens Against Physical and Sexual Abuse, Inc., (CAPSA) (a non-profit organization) as of and for the year ended June 30, 2006, and have issued our report thereon dated August 9, 2006. As part of our audit, we have audited the CAPSA's compliance with the provider contract determined to be a major State assistance program as required by the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2006. CAPSA received the following major assistance program from the State of Utah:

**Department of Community & Economic Development:**

**Homeless Trust Funds**

The management of CAPSA is responsible for the CAPSA's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the CAPSA's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.



The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, CAPSA complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major state assistance programs for the year ended June 30, 2006.

Peterson Alfred Jackson

August 9, 2006

CITIZENS AGAINST PHYSICAL AND SEXUAL ABUSE, INC.

MANAGEMENT LETTER

June 30, 2006



Peterson  
Alfred  
Jackson

▪ Certified Public Accountants  
Business Consultants

August 9, 2006

To the Board of Directors  
Citizens Against Physical and Sexual Abuse, Inc.  
Logan, UT 84321

In planning and performing our audit of the financial statements of the Citizens Against Physical and Sexual Abuse, Inc. (CAPSA) (a non-profit corporation) as of June 30, 2006, we developed the following recommendations concerning certain matters related to the internal control structure and certain administrative and operating matters. These recommendations resulted from our observations made in connection with our audit of CAPSA's financial statements for the year ended June 30, 2006, and are not based on special study. Our comments and principal recommendations are summarized as follows:

#### **PRIOR YEAR FINDING**

Finding: Fixed Asset Schedule Maintenance. During our review of expenditures, we noted multiple capital assets that were booked as an expense instead of an asset .

Recommendation: All capital assets over the capitalization policy (currently \$500) should be recorded as an asset at the time of purchase. Also, fixed asset accounts should be adjusted whenever an asset is disposed, sold or retired and the associated gain or loss on sale of assets should then be booked.

Management response: CAPSA was not doing this at the suggestion of our previous auditors and this was the practice in our last audit. However, CAPSA will from this time forward book all capital purchases as assets. CAPSA administration will however request that our Board of Directors increase the capitalization limit to \$1,000.

Status: CAPSA increased the capitalization threshold to \$1,000 during the year. This is an area that the organization can continue to monitor to insure all assets over the capitalization threshold are properly capitalized.

#### **CURRENT YEAR FINDINGS**

Finding: Booking donated goods. Donated goods are recorded and tracked on a monthly basis but are not regularly entered into the financial statements.

Recommendation: All donated goods should be entered into the financial statements at least on a monthly basis.

Management response: The Board will designate at what value donated goods will be captured on the financial statements and the amounts will be recorded on a monthly basis.

Finding: Missing documentation. During the review of payroll files, we noted that a few employee I-9s could not be located.

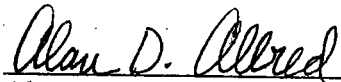
Recommendation: Review payroll files for complete documentation.

Management response: In the future, all payroll documentation will be correctly filed and maintained.

In conclusion, we wish to recognize Tracy Hernandez for her excellent service provided to the Citizens Against Physical and Sexual Abuse, Inc.. The performance of the Citizens Against Physical and Sexual Abuse, Inc. annual fiscal year audit has been an enjoyable experience for us and we would like to thank CAPSA for the opportunity to serve as independent auditors.

Very truly yours,

PETERSON ALLRED JACKSON



Alan D. Allred, CPA